

NYS Cannabis Industry Takes Big Step Forward with Final Cannabis Control Board Appointments



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In a critical step forward for New York State's cannabis industry, on Thursday, September 23, 2021, Governor Kathy Hochul appointed Jessica Garcia and Reuben McDaniel III to the state's Cannabis Control Board (CCB). Garcia and McDaniel III join Adam W. Perry, Jen Metzger, and Board Chair Tremaine Wright to make up the five-member board responsible for devising the framework of the State's newly legalized adult-use cannabis industry. These two appointments ended an almost six-month delay in the development of the state's adult-use cannabis market, which will begin to take shape in the coming months.

Significant concern arose in June 2021 when New York State's legislative session ended and no appointments to the CCB or the newly established Office of Cannabis Management (OCM) had been made. Absent a special session, the next time the State Legislature was slated to convene was January 2022, delaying the anticipated opening of the state's legal cannabis industry for at least six months. Soon after taking over for former Governor Andrew Cuomo, however, Governor Hochul called the legislature back for an extraordinary session on September 1,

2021, and on that same day confirmed the appointments of both Wright and OCM Executive Director, Christopher Alexander. The State Assembly tapped Perry as its CCB appointment a week later, and the State Senate selected Metzger two days after that. Governor Hochul's appointments of McDaniel III and Garcia on Thursday rounded out the necessary appointments for the CCB.

Although New York State lawmakers legalized the adult use of recreational cannabis on March 31, 2021, by passing the Marijuana Regulation and Taxation Act (MRTA), the cultivation, processing, distribution, retail sales, and highly anticipated on-site consumption of cannabis contemplated by the MRTA remains impermissible until formal regulations are implemented by the CCB and the OCM. Specifically, the MRTA delegated the responsibilities of finalizing the regulations that will ultimately govern the state's legal cannabis marketplace to the CCB. This includes drafting the application forms that cannabis license-seekers will submit to the CCB and OCM in the hopes of receiving one of the state's coveted licenses. Critically, under the MRTA, in order to operate in the State's adult-use market, whether by growing, processing, making products, or selling, a business must hold a license.

The next step for the CCB is to begin drafting the regulations that will govern New York's adult-use cannabis market. Although no timetable has been set for when we will see these regulations, upon completion the CCB will publish them, receive public comment, and incorporate such comments into the final regulations. It is speculated that the CCB will prioritize regulations concerning cultivation because the sooner cultivators can grow, the sooner processors and distributors can develop products, and the sooner retailers can sell cannabis.

So, while retail sales are not going live tomorrow, these September appointments are crucial to the timely opening of New York's adult-use cannabis market. With the five-member board in place, the CCB can finally proceed with the job assigned to it by the MRTA and cannabis entrepreneurs can take comfort that the application process will become clearer in the near future.

Lippes Mathias' [Cannabis Practice Team](#) will continue to monitor the developments in New York's cannabis industry, including when the CCB regulations are published and when applications are expected to be released. If you have any questions, please contact one of our attorneys.

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